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**From:** Faliero, Bryan [/O=SHERMAN/OU=CHARLESTON/CN=RECIPIENTS/CN=BFALIERO]  
**Sent:** 11/5/2014 5:16:21 PM  
**To:** Jefferson, Dennis [djefferson@resurgent.com]; Thurmond, Tom [tthurmond@resurgent.com]  
**CC:** Mazzoli, Jon [jmazzoli@sfg.com]  
**Subject:** FW: Sherman and Conns  
**Attachments:** AgencyAcctFeedback.xlsx

DJ:

Please continue to build the list of trouble accounts – 114 is a lot but I am sure there are many more out there

**From:** Faliero, Bryan  
**Sent:** Wednesday, November 05, 2014 5:15 PM  
**To:** Robin Ishmael; Louis DiPalma (ldipalma@garnetcapital.com)  
**Cc:** Ziegler, Erin; Faliero, Bryan; Mazzoli, Jon  
**Subject:** Sherman and Conns

Robin:

We are having issues with Conns which will result in substantial putbacks due to debtor claims under section 6.1(f) (returned merchandise not credited, Conn's warranties not honored, and faulty products, etc.). In addition, there are some broken reps in the agreement that seem like they are likely to lead to substantial problems down the road, whether through indemnification claims or breach of contract claims. We are still learning what we have here, but it seems like we have a problem with sections 8.5 (prior compliance), 8.6 (valid enforceable accounts), and section 8.7 (accurate data tape). The rate of debtor complaints on these accounts is very high right now.

We are not receiving media as contractually agreed. Given the issues around prior compliance, origination, and returns/balances, this is more important than expected (many debtors claim they were unaware of the insurance). Right now, we do not feel comfortable with the Balances.

Account Issues:

Attached is a quick list of 114 accounts with detail consumer conversations – there are many many more of these out there – we will send additional lists as requested – all have balance claims

Media:



SHERMAN0001073

First Take-Down Bulk – 22,816 Accounts

- No product description 7,115 accounts (31.2%)
- No contracts 399 accounts (1.8%)
- No sales memo receipt 14,759 accounts (64.7%)
- No pay histories 14 accounts (0.1%)
- All Media on 8,056 – 35.3% of accounts

First Flow – 5,204 Accounts

- No product description 1,412 accounts (27.1%)
- No contracts 87 accounts (1.8%)
- No sales memo receipt 1,937 accounts (37.2%)
- No pay histories 3,628 accounts (69.7%)
- All Media on 992 – 19.1% of accounts

This is a pretty urgent matter right now. At a minimum, I do not feel like we can fund any more take downs until this is sorted out. And, if we cannot get it sorted out quickly, I think it is in all three parties interest to unwind these sales with a 100% putback.

Thanks,

Bryan Faliero

Director

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Account ID	Consumer Name	Description of Dispute/Complaint/Grievance	Documentation Provided	Agency
7181		Disputing Bill as has paid Off	Documentation Requested	Firstsource
7086		Returned Merchandise - Balance not Reflective	Documentation Available	Firstsource
7750		Disputing Bill as has paid Off	Documentation Requested	Firstsource
490		Insurance would not pay	Documentation Requested	Firstsource
552		Unsatisfied with Product	Documentation Requested	Firstsource
8338		Fraud - Never Opened Account	Documentation Requested	Firstsource
4018		Fraud - Never Opened Account	Documentation Requested	Firstsource
5065		Unsatisfied with Product	Documentation Requested	Firstsource
5313		Unsatisfied with Product	Documentation Requested	Firstsource
5740		Disputing Bill as has paid Off	Documentation Requested	Firstsource
7099		Fraud - Never Opened Account	Documentation Requested	Firstsource
5378		Disputing Bill as has paid Off	Documentation Requested	Firstsource
5662		Disputing Bill as has paid Off	Documentation Requested	Firstsource
5339		Disputing Bill as has paid Off	Documentation Requested	Firstsource
1244		Disputing Bill as has paid Off	Documentation Requested	Firstsource
5541		claims TV broke and could not be fixed	Documentation Requested	Firstsource
5534		Claims balance is higher than it should be	Documentation Requested	SIMM
5097		Disputes balance	Documentation Requested	SIMM
5626		Paid prior	Documentation Requested	SIMM
1346		Paid prior	Documentation Requested	SIMM
3657		Paid prior	Documentation Requested	SIMM
5187		claims told company to pick up appliances	N/A	VKI
9419		upset that has paid \$40 several times and bill not going down	N/A	VKI
7137		claims paid too much on balance already and not going down	N/A	VKI
4839		states had insurance and doesn't owe	email sent to confirm	VKI
7340		problem with lawnmower and told client to come get it	N/A	VKI
5879		claims client ripped her off on sons PC	N/A	VKI
1080		didn't think owed so much	N/A	VKI
5316		was confirmed paid prior to placement, DP received	Direct payment received and posted	VKI
5888		claims paid off, need confirmation	email sent to confirm	VKI
5513		confirmed paid in full, prior to placement	Direct payment received and posted	VKI
2456		They returned the merchandise so they do not owe anything anymore	No	Global
3848		Conn's never provided a detailed list of what was purchased and they paid \$400 to make their account current. States the Conn's owes them \$1,081.87 in overpayments	Yes	Global
8175		They were going to return the washing machine for a discount but never received the product back	No	Global
2132		The couch was faulty and they told Conn's to pick it up but they never came	No	Global
5199		They purchased furniture with disability insurance and filled out all the forms correctly, they should not owe	Yes	Global
3152		States computer did not work after 2 weeks and they returned it	No	Global
7948		They took insurance out so Conn's should be dealing with the insurance company	No	Global
4102		Broke the tablet and returned it. They were told that they could get a stereo for the same price and would not be responsible for remaining balance	No	Global
2295		They wanted Conn's to come pick the merchandise up but they never did	No	Global
1097		This was covered by insurance	No	Global
2164		This should have been written off	No	Global
7580		They do not have the merchandise anymore	No	Global
7652		The merchandise was stolen and insurance should have covered it	No	Global
0082		They paid \$500 to Conn's but they lost his payment	No	Global
3560		The TV is broken and they had insurance which should have paid	No	Global
9231		The couches were destroyed and the insurance did not cover it	No	Global
8328		They were told that their laptop would be fixed but it never was. They will no pay for services not received	No	Global



516	Global	No	Their ex-spouse had the furniture and they passed away	
206	Global	No	upset that account was sold	
904	Global	No	account is written off	
948	Global	No	insurance didn't kick in and cover merchandise	
832	JCC	Status: Verbal Dispute	Doesn't feel he owes it - told original creditor to pick up their stuff after he could no longer pay	
452	JCC	Status: Verbal Dispute	Claims paid prior / over paid it and Conns sent him a refund	
583	JCC	Status: Verbal Dispute	Claims does not owe / Conns made a mistake / Says they were going to come pick stuff up / HU	
424	JCC	Status: Verbal Dispute	Claims does not know anything about this account and HU	
5706	JCC	Status: Verbal Dispute	Claims he is paying another collection agency / Also RTP account because Conns "sold it"	
2076	JCC	Status: Verbal Dispute	Says \$1617 balance is too high, feels only owes \$800 and disputes the rest then HU	
7113	JCC	Status: Verbal Dispute	Claims is paying other agency - never called us back to verify anything	
7114	JCC	Status: Verbal Dispute	States insurance paid this on 9/14/14 directly to Conns - disputed owing anything	
3285	JCC	Status: Verbal Dispute	Stated he never bought a refrigerator (paid on this for 2 years) - RTP and disputed	
3695	JCC	Status: Verbal Dispute	DCI and said she does not owe them that much and HU - had to mark as dispute	
434	JCC	Status: Verbal Dispute	Says only owes \$1200 and disputes owing the difference and HU	
1125	JCC	Status: Verbal Dispute	Identified RP and he said this is not his account and HU	
3473	JCC	Status: Verbal Dispute	Says she returned the laptop but Conns still charged her	
7121	JCC	Status: Verbal Dispute	Says already paying Conns \$96/mo - disputes account being here - mad at Conns	
3471	JCC	Status: Verbal Dispute	Says paid off this account with Conns already - disputes owing	
5128	JCC	Status: Verbal Dispute	DCI, says Conns tried to charge him more than what product worth, he returned Imo after purchase	
3414	JCC	Status: Verbal Dispute	Says account opened fraudulently under his name, says has attorney but refused name or # and HU	
3268	JCC	Status: Verbal Dispute	Says returned TV because couldn't make pmts / filled out (3) forms with Conns, they said it was taken care of	
3651	JCC	Status: Verbal Dispute	JCC TTD on 10/27 and D says he talked with Conns on 10/26 and made payment plan / RTP JCC and Disputes	
3154	JCC	Status: Verbal Dispute	Looks like D called and left VoiceMail claiming fraud - we marked the account as Dispute	
7304	JCC	Status: Verbal Dispute	D claims fraud - never opened the account and HU	
7295	JCC	Status: Verbal Dispute	D claims Conns put this under his sons SS# it was supposed to be under his - refused to pay and dispute	
3620	JCC	Status: Verbal Dispute	D says does not remember this account - disputes having it	
1070	JCC	Status: Verbal Dispute	D claims fraud, someone opened under his name and SS# - mom brought police report to Conns	
2676	JCC	Status: Verbal Dispute	D claims fraud - never filled anything out - does not have anything to support this claim	
2884	JCC	Status: Verbal Dispute	D claims no knowledge of this account or anything about a washing machine	
3068	JCC	Status: Verbal Dispute	D says never purchased anything from this creditor	
5244	JCC	Status: Verbal Dispute	D reported to Conns they delivered damaged furniture - refused to pay for it	
3866	JCC	Status: Verbal Dispute	D says never bought anything from Conns lives in Mississippi, never been in a Conns store	
1343	JCC	Status: Verbal Dispute	D claims owes \$2600 not \$11,000 - Conns didn't deliver product, he had to pick it up / will pay \$2600 but wants clean CBR	
5998	JCC	Status: Verbal Dispute	D claims daughter took this out in her name so she is not going to pay for it / Disputes owing	
5254	JCC	Status: Verbal Dispute	D claims she became unemployed and had some insurance was supposed to pay for this purchase / Disputes owing / RTP	
5743	FRS		Consumer advises has a lawsuit against Conns	
9673	FRS		Consumer advises bought appliances for daughter but was never paid back.	
3013	FRS		Consumer states account was opened with his name by someone else and that person stopped making pmts.	
3478	FRS		Consumer states account was paid off already, will fax proof.	
2466	FRS		Consumer advises was told by Conns that if they repossessed the products would not have to pay	
2951	FRS		Consumer advises disputes balance. Tried to get explanation and consumer advised that Conns already has explanation and not investing anymore time.	
1554	FRS		Consumer states this is fraud and will file a police report	
5851	FRS		Consumer stated had a bad deal with Conns	
9553	FRS		Consumer advises that person at Conns stated was free	
1371	FRS		Consumer advises filed police report for fraud	
3581	FRS		Consumer states that both TV and bed were damaged. States called Conns to pick up and they never showed.	
534	FRS		Consumer advises that they paid \$3100 to Conns on 09/27/14	

6340	Consumer states never got bed or table from store, just chairs. Not paying.	FRS
8801	Consumer states this is Fraud and ID Theft	FRS
9292	States that Conns violated his privacy	FRS
0196	Consumer advises this was for daughter and thought it was only for a vacuum.	FRS
0206	Consumer states that they never opened this account	FRS
0491	Consumer states this must be fraud as name is correct but SSN is not. SSN search pulls different person who is deceased	FRS
1355	Consumer states did not think needed to make payments	FRS
1808	Consumer claims fraud and filed police report	FRS
2241	Consumer advises that couch was broken but happy with TV, wants a separate bill for the TV.	FRS
3241	Consumer sent in letter of dispute claiming warranty was not honored.	Correspondence sent already, named w/FRS
9674	Consumer advises that couch was broken	FRS
0152	Consumer disputes balance due to returning item	FRS
0536	Consumer advises has already paid this when did refinance. Advised will fax the paperwork	FRS
0994	Consumer advises was on a fixed income and had to pay for funeral expenses. Advised told them to come and get washer and dryer.	FRS
4355	States can come and pick up merchandise, will not pay.	FRS
2392	WRONG ITEM DELIVERED CONNS WOULD NOT CORRECTE	UCB
7485	SAYS HE BROUGHT ACCOUNT CURRENT DOESN'T UNDERSTAND WHY IN COLLECTIONS.	UCB